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19 July 1957

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE
SUBJECT: Nasser's Next Moves

- 1. On the anniversary of the nationalization of the Suez Canal Company, Egypt's President Nasser finds his position and prestige more severely challenged than it was a year ago. His policy and outlook are believed to be essentially unchanged, although he probably now regards the US not only as his challenger but as a successful opponent. The speeches which Nasser is expected to give on the occasion of the opening of his newly elected Parliament are likely to provide the occasion for an attempt to regain the initiative but it is believed probable that instead of relying on a single dramatic bombshell Nasser is likely to inaugurate a drive to restore Arab unity and his leadership by a series of moves forcing Saudi Arabia and Jordan to take the Arab side against the US on the issue of Israel.
- 2. Not only does current evidence indicate the probability that

 Nasser will continue to resist Western influence and the friends of

 the West and the Arab area but it also points to the probability that

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Nasser considers this a propitious moment for a counter-attack. Nasser has not been passive during the past four months while Saudi Arabia and Jordan have openly flaunted his leadership and policy, but it is probable that he has not made the fullest possible use of his capabilities for trouble-making by clandestine, propaganda, and diplomatic means. He probably now believes that there has been a slackening of enthusiasm, a falling off of assurance, an increase of diffidence among the anti-Nasser forces in the Arab states. He has noted Iraq's failure to assume leadership, its unwillingness to support Jordan financially and its new Prime Minister's eagerness to talk about the restoration of Arab unity. He has also noted the Jordanian Foreign Ministers wavering. He knows how little support King Saud and King Hussein have gotten for their new policies within their own countries and that both of them are vulnerable to the charge of associating with Israel's chief supporter and to appeals for Arab unity. As a consequence Nasser probably believes that the trend against him has lost momentum and that the time has come to try to reverse it.

3. In a campaign to reverse the recent gains of US policy and to seize the initiative in the Near East once again Nasser could choose among several opportunities for trouble-making:

Saud's position: Nasser probably regards Saud's neglect of the ESS Pact relationship and his policy of cooperation with the US as the most important challenge to Nasser's position. He probably also believes that weakening Saud's new relationship with the US would do more to damage the new US position in the area than anything alse he might do and that this alone might force King Hussein to shift back to an Arab nationalist policy. He knows that there are rumblings of discontent within Saud's entourage and has heard rumors of plots against the King, but he is probably not anxious to stir up an actual revolution in Saudi Arabia. He is probably more interested in the advantages to his own position which would follow if Saud himself decided to come back to the ESS fold. Nasser probably believes that if he could confront Saud with a clear choice between the Arab position and a US stand identical with that of Israel on a public Arab-Israeli issue, Saud would have to support the Arab position. The clearest promise of an opportunity to do this, of course, is now to be found in the Gulf of Aqaba navigation question.

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- В. The Gulf of Aqaba situation: Both in Egypt and Saudi Arabia Aqaba is generally regarded as an integral part of the Arab-Israeli issue, the question being whether Israel is to make another gain in its struggle to establish an economically viable state. Nasser has been exerting subtle and effective pressure upon Saud, who has made it clear that he accepts Nasser's interpretation of the Aqaba issue. Just how Nasser could most effectively exploit this situation to get an open break between Saud and the US is not clear, but almost any aggravation of the situation is likely to serve his purpose and the more serious the aggravation the more welcome and useful it is likely to be to Nasser. Nasser might himself seek to create a crisis over which the US and Saud would be bound to differ by blockading the gulf. He is more likely to keep reminding Saud privately and publically of his responsibility for maintaining the Arab cause in the Aqaba issue.
- C. <u>King Hussein's position in Jordan</u>: Nasser is certainly aware of the numerous and sizeable forces of op-

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position within Jordan to King Hussein's recent course of policy and of the fact that closing the Syrian border would strangle the Jordanian economy. Although he probably has, or could develop, the capability of inducing a coup in Jordan, such a course has serious drawbacks for him. He would prefer to see King Hussein disavow his association with the US and return to the Arab nationalist fold. Nascer will probably seek to influence this development by playing hard on the Arab unity theme and declaring his willingness to accept Hussein back on the old terms. Most important, however, is likely to be an attempt to use the Israeli issue for the classic purpose of drawing the Arabs together. This could be forwarded through the Aqaba issue or by exploiting, if not fomenting, incidents on the eastern borders of Israel. Nasser certainly does not now want a war between Israel and any Arab state, but there have been numerous incidents in the past sizeable enough to accomplish his purpose which did not result in war.

D. Exploitation of the Arab refugee problem: Nasser has recently sought to damage the position of the Jordanian

and Iraqi Governments by publishing reports of negotiations with Israel to re-settle some of the Arab refugses. Rumors or evidence of such efforts, particularly when they can be presented as involving the collusion of the US, will be used as opportunity occurs.

- E. Support of Yemen: By encouraging and abetting the delivery of Soviet arms to Yemen and other Arabian Peninsula principalities Nasser might cause such difficulties for the British as to encourage Saud to resume cooperation. (This would not necessarily mean that he would abandon his efforts to rebuild Egyptian trade with the UK.)
- 4. It seems unlikely at this time that Nasser will demand the departure of the UNEF. Although he will sooner or later make such a demand, he probably now feels that the presence of the UNEF is advantageous to him.
- 5. It is possible but unlikely at this time that Nasser would seek to show his independence of the West by undertaking substantially

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continue to encourage large scale trade relations with the Bloc and to welcome economic and technical assistance. He may invite Soviet leaders to Egypt. However, for reasons of domestic politics as well as his relations with the other Arab states, Nasser probably will continue his aggressivly independent line of "positive neutralism,"

FOR THE BOARD OF NATIONAL ESTIMATES:

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